

2. I am responsible for regulatory compliance and public policy analysis within SBLD. I am also responsible within SBLD for analyzing long distance entry requirements and ensuring that SBLD's business operations comply with all applicable statutes, rules, and orders including the FCC's Non-Accounting Safeguards First Report and Order issued in CC Docket No. 96-149 and the Accounting Safeguards Report and Order issued in CC Docket 96-150.<sup>2</sup>
3. I began my career with Southwestern Bell Telephone Company in 1985 as an assistant staff manager-comptroller in St. Louis and have progressed through various finance positions with increased responsibility. In August of 1990, I moved to Washington, D.C. and was named to the position of Director-Federal Regulations where I acted as liaison between SBC and the FCC on accounting and audit issues. In 1994, I returned to St. Louis and spent a year on the financial aspects of the sale of Bellcore, the research company jointly owned by all seven RBOCs. In September 1995, I accepted the position of Chief Financial Officer for SBLD in San Antonio. In May 1996, I was named to my current position of Vice President-Business Planning & CFO. My responsibilities include all finance, accounting and regulatory functions, both start-up and operational for SBLD.

---

<sup>2</sup>In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, CC Docket No. 96-149, FCC 96-489 (rel. Dec. 24, 1996) ("Non-Accounting Safeguards First Report and Order"); In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order (rel. Dec. 24, 1996) ("Accounting Safeguards Report and Order"). Applicants reserve their rights with regard to the filing of a petition for review to a court of competent jurisdiction.

B. PURPOSE OF AFFIDAVIT

This affidavit demonstrates how SBLD, together with Southwestern Bell Telephone Company ("SWBT"), Pacific Bell and Nevada Bell will comply respectively and collectively with Section 272 of the 1996 Act and the FCC's rules in carrying out the "requested authorization." SBC's "Bell operating company" ("BOC"), as defined in Section 3(4) of the 1996 Act, consists of SWBT, Pacific Bell and Nevada Bell (the "SBC BOCs")<sup>3</sup>. SWBT is the BOC which is subject to Section 251(c) within its operating areas in Oklahoma. Neither Pacific Bell nor Nevada Bell operate in Oklahoma. The Affidavits of Elizabeth Ham and Kathleen Larkin discuss SWBT's compliance with the 1996 Act Affidavits from representatives of Pacific Bell and Nevada Bell discuss those companies compliance with the 1996 Act, respectively.

C. SBLD COMPLIES WITH THE "SEPARATE AFFILIATE" REQUIREMENT (SECTION 272(a))

1. Applicants will provide interLATA services originating in Oklahoma or which are treated as originating in Oklahoma under Section 271, through SBLD, an SBC affiliate that is separate from the SBC BOCs, or through a wholly-owned subsidiary of SBLD hereinafter created or acquired, or another Section 272 compliant affiliate.
2. SBLD is a "separate affiliate" within the meaning of Section 272:
  - a. SBLD is a duly formed and existing corporation organized under the laws of the State of Delaware and is a wholly-owned subsidiary of SBC. Neither SWBT, Pacific Bell nor Nevada Bell, collectively or individually, own any stock of

---

<sup>3</sup>Reference to the "SBC BOCs" is a reference to SWBT, Pacific Bell and Nevada both collectively and individually.

SBLD; correspondingly, SBLD owns no stock of any of the SBC BOCs. SBLD is in all respects a separate corporate entity from the SBC BOCs.

- b. SBLD, either directly or through its subsidiaries, Southwestern Bell Communications Services--Illinois, Inc. ("SBLD--Illinois"); Southwestern Bell Communications Services--Indiana, Inc. ("SBLD--Indiana"); Southwestern Bell Communications Services--New York, Inc. ("SBLD--New York"); Southwestern Bell Communications Services--Maryland, Inc. ("SBLD--Maryland"); Southwestern Bell Communications Services--Massachusetts, Inc. ("SBLD--Massachusetts") (the "SBLD Regional Affiliate(s)"), provides direct-dialed interstate and intrastate, intraLATA and interLATA message telecommunications services, calling card, and operator services originating in some states other than Arkansas, California, Kansas, Missouri, Nevada, Oklahoma or Texas.

These services are marketed with the "Cellular One" brand primarily to customers of SBLD's cellular services affiliates by means of joint marketing and billing and collection arrangements.

- c. SBLD provides no "in-region" telecommunications services of any kind as of the date of this affidavit.
- d. SBLD operates separate and apart from the SBC BOCs, each of which is an affiliated incumbent local exchange carrier providing local telephone exchange service and subject to the requirements of Section 251(c).
- e. SBC may from time to time reorganize, merge, or otherwise change the form of SBLD or create, merge or acquire additional interexchange subsidiaries. Any

such subsidiaries will meet the requirements of Section 272 of the 1996 Act, as well as applicable state and federal regulations.

D. SBLD WILL "OPERATE INDEPENDENTLY" FROM THE SBC BOCS

1. Section 272(b)(1) provides that the required separate affiliate "shall operate independently from the Bell operating company." In the Non-Accounting Safeguards First Report and Order, the Commission concluded that Section 272(b)(1) "imposes requirements beyond those listed in sections 272(b)(2)-(5)." The Commission further concluded that operational independence required that:
  - a. the BOC and its Section 272 affiliate be precluded from jointly owning switching or transmission facilities or the land or buildings where those facilities are located;
  - b. a Section 272 affiliate be precluded from performing operating, installation, and maintenance functions associated with the BOC's facilities;
  - c. a BOC or any BOC affiliate, other than the Section 272 affiliate itself, be precluded from performing operating, installation, or maintenance functions associated with the interLATA switching and transmission facilities that the section 272 affiliate owns or leases from a provider other than the BOC with which it is affiliated.<sup>4</sup>
2. SBLD and the SBC BOCs will operate independently under this standard. In particular,

---

<sup>4</sup>Non-Accounting Safeguards First Report and Order, ¶ 158.

- a. SBLD and the SBC BOCs do not, and as long as the requirements of Section 272 or any lawful regulations remain applicable, will not, jointly own telecommunications transmission and switching facilities or the land and buildings on which such facilities are located; and
- b. SBLD is not currently providing, and will not provide, as long as the requirements of Section 272 or any lawful regulations remain applicable, operating, installation, or maintenance services in connection with the SBC BOCs' switching and transmission facilities, although SBLD may perform such services for the SBC BOCs in the event the SBC BOCs purchase(s) sophisticated equipment from SBLD within the meaning of paragraph 164 of the Non-Accounting Safeguards First Report and Order. SBLD has no existing plan to sell such equipment to the SBC BOCs or to install or maintain such equipment for the SBC BOCs .
- c. SBLD anticipates that it will provide in-region originating, interLATA long-distance services and products on a facilities and resale basis.
  - i. SBLD already has installed four Northern Telecom DMS250 long-distance switches and one Northern Telecom DMS 300 switch. SBLD will operate and maintain these switches, and any other SBLD switching or transmission equipment or facilities will be operated, installed, and maintained by SBLD personnel or by non-SBC-affiliated entities' personnel. SBLD will directly coordinate the development of its network. In addition, SBLD will perform its own network design functions, including utilization analysis, trunk forecasting, trunk servicing,

facility/equipment planning systems, and switched Access Service Request management. SBLD will perform its own network engineering functions, including floor space layout, all Telephone Equipment Orders (switch, Digital Cross-connect System, fiber terminal), signaling links, growth jobs, local monitoring/alarm design, and purchasing. SBLD will perform its own interoffice facility/circuit provisioning activities, including the operation of a center for facility assignment and design, message trunk design, and data network design. SBLD will also perform its own trunking and routing functions, including trunk group design and routing/disaster planning.

- ii. Further, SBLD will provide its network operations functions, including switch installation coordination and acceptance, switch monitoring and control, facility/alarm monitoring and control, general trunk translations, maintenance/dispatch, traffic monitoring and control, data network monitoring and control, and tier two technical support. SBLD will also perform its own customer service design functions, including special services circuit design, Access Service Request management, Advanced Intelligent Network service provisioning, customer network translations (Virtual Private Network), 800/900 number administration, and customer data network design.
- iii. In addition to direct dialed interexchange message telecommunications services originating in Oklahoma, services to be offered, once regulatory

approval is granted, include operator services and calling card service for Oklahoma customers, said services to be useable in states other than Oklahoma, consistent with Section 271.

- d. SBLD will also develop and tariff its own products and services at the state and federal levels and prepare its regulatory filings. SBLD will also coordinate the marketing of those products and services, although it will use non-SBLD marketing and sales channels to accomplish the distribution of its products and services. SBLD will also either perform its own accounting and finance functions or have those functions performed by an agent other than the SBC BOCs. Among the accounting and finance functions that SBLD or its agents will perform will be its maintenance of separate books of account, its establishment and maintenance of asset tracking and project accounting, its development and administration of cost accounting and pricing models, the establishment of financial requirements for the billing system and accounting for international settlements.
- e. Prior to the issuance of the Non-Accounting Safeguards First Report and Order, SBLD had expressed its intention to purchase services from SWBT in conformity with the express applicable structural, transactional, and non-discriminatory treatment requirements of Section 272(b)(1), (2), and (5), (c), (e), and (g). In reliance upon the express terms of Section 272, SBLD contracted with SWBT to receive, and has received on an as-needed basis, certain services specified in the SWBT Cost Allocation Manual or set forth in SWBT's tariffs (collectively, the

"SWBT-Provided Services"). See also Affidavit of Elizabeth Ham. SBLD is obtaining the following services from SWBT:

- i. Official Communications: This function includes the administration of local, intraLATA, and interLATA communications service, and includes consulting and engineering. Official Communications also includes official directory, conference service calls, 5-Call message service, and terminal equipment.
- ii. interLATA Communication: Official Communication through the Southwestern Electronic Tandem Network (SWETN).
- iii. Purchasing and Contracting: This service includes the processing of purchase requisitions for stock and non-stock materials and the provision of consultation services.
- iv. Temporary Projects: This service includes temporary support to SBLD on a project specific basis including, but not limited to, (1) consultation, documentation, and training support, and (2) collection of intraLATA and interLATA toll billing data from certain SWBT customer bills for Carrier Identification Codes, ("CICs") on Access Customer Name Abbreviation ("ACNA") codes, in response to customer authorization.
- x. Computer Software: This service involves the licensing or other sale of SWBT programming efforts to create, maintain, or customize software.
- xi. Bellcore Support Services: This service category includes purchase and support of Bellcore projects.



- xii. Other Administrative Services: This service category includes duplication of documents, overflow electronic typing services, and various other administrative support activities.
- xiii. Building Distribution System and Local Area Networks ("BDS/LAN") Installation and Maintenance: This service category includes the installation, maintenance, and repair of internal voice, video, and data networks. These services also may include consulting, engineering, administration, management and design activities associated with or required by the installed networks. These networks are customized wiring plans for a building or campus and may consist of copper, coaxial, or fiber cable and wire.
- ix. Network Management Bureau Services: Services included in this category may include network systems installation and start-up, service implementation, switch installation and translations, client specific development, and data communications set-up.
- x. Legal Services: Services include performance of general legal services on a project-specific basis.
- xi. Revenue and Public Affairs: Services include the ongoing review of general legislative and regulatory support, including, but not limited to, research, identification of bills of potential importance, and lobbying.
- xii. Ad Valorem Tax Services: Services include general ad valorem taxation support.

- xiii. Tariffed Services: These services include the following:
- Interstate Access Services. Access services provided under FCC Tariff No. 73, including equal access trunks (Feature Group D), special access MegaLink Custom (DS3), High Capacity Service (DS1), MegaLink Data (56Kbps), and SS7 Signaling Service.
  - Local Exchange Services. Local exchange services including normal business tariffed products.
- xiv. Human Resource Support: Service includes routine administration provided by Human Resources organization.
- xv. Real Estate Management: Services include lease administration; architectural planning, design, and construction; floor space planning; furniture inventory; floor space, conference services and furniture leasing; parking facilities.
- f. To date, all of the SWBT-Provided Services have been recorded on a basis consistent with Parts 32 and 64 as determined by the FCC prior to adoption of the Accounting Safeguards Report and Order.
- g. To the extent joint marketing or administrative services are purchased from SWBT, it will be on terms and conditions consistent with Section 272 and any applicable FCC regulations as adopted in the Accounting Safeguards Report and Order.
- h. SBLD may negotiate with SWBT on an arms-length basis to obtain transmission and switching facilities from SWBT, to arrange for collocation of facilities, or to

provide or to obtain services other than those described above or expressly prohibited in the Non-Accounting Safeguards First Report and Order. SBLD and SWBT will account for any affiliate transaction between SBLD and SWBT in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order.

- i. Services that do not constitute prohibited operations, installation, or maintenance, but instead are administrative services , and may be obtained from a shared services affiliate. In addition, either the SBC BOCs or a shared services affiliate may provide joint marketing services to SBLD without regard to whether those services are available to non-affiliates.
- j. SBLD has not requested nor received any of the services set forth in subparagraph (e), above, from either Nevada Bell or Pacific Bell.

Despite plans made prior to Non-Accounting Safeguards First Report and Order, SBLD will not purchase services from the SBC BOCs after commencing in-region interLATA services under the requested authorization, aside from joint marketing and administrative services and exchange access and telephone exchange services. As set forth below, to the extent joint marketing or administrative services are purchased from the SBC BOCs , it will be on terms and conditions consistent with Section 272 and any applicable regulations.

- k. SBLD may negotiate with the SBC BOCs on an arms-length basis to obtain transmission and switching facilities from the SBC BOCs to arrange for collocation of facilities, or to provide or to obtain services other than those

described above or expressly prohibited in the Non-Accounting Safeguards First Report and Order. As set forth below, SBLD and the SBC BOCs will reduce to writing and account for any affiliate transaction between SBLD and the SBC BOCs in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order.

1. SBLD presently has five interexchange switches sited on leased SWBT premises. These switches are not currently interconnected with SWBT exchange access facilities. None of the switching or transmission facilities SBLD owns currently provide telecommunications services of any kind.

E. SBLD COMPLIES WITH THE ACCOUNTING REQUIREMENTS

SBLD currently maintains books, records, and accounts that are separate from the books, records, and accounts of the SBC BOCs. SBLD follows Generally Accepted Accounting Principles ("GAAP"). All the services that SBLD has obtained or will obtain from the SBC BOCs will be accounted for in compliance with the rules set forth in the Accounting Safeguards Reported and Order. SBLD's capital and expense budgets are separate from those of the SBC BOCs .

F. SBLD COMPLIES WITH THE SEPARATE OFFICERS, DIRECTORS, AND EMPLOYEES REQUIREMENTS

1. SBLD has or will have the following, separate officers when it commences the requested authorization:
  - a. President and Chief Executive Officer - The President-CEO of SBLD presides at all stockholder meetings and meetings of the Board of Directors and performs such other duties as may from time to time be assigned. Unless otherwise

directed by the Board of Directors, the President, or such other officer or agent as the President may designate, has authority to exercise any and all rights and powers that SBLD may possess by reason of its ownership of securities in any other corporation. The President-CEO is responsible for all day-to-day operations of SBLD, including supervision, either directly or indirectly, of SBLD employees performing SBLD's operating, installation, and maintenance; marketing; network planning; product development; finance; regulatory; and administrative functions.

- b. Vice President and Chief Financial Officer - The V.P.-CFO of SBLD is responsible, either directly or indirectly, for the supervision or performance of SBLD's finance, accounting, regulatory, human resources, and administrative functions.
- c. Vice President -- Operations - The V.P.-Operations of SBLD is responsible, either directly or indirectly, for the supervision or performance of SBLD's network planning; operating, installation, and maintenance; and administrative functions.
- d. Vice President -- Marketing and Product Development - The V.P.-Marketing and Product Development of SBLD is responsible, either directly or indirectly, for the supervision of performance of SBLD's marketing, sales, and product development functions.
- e. Vice President -- Tax - The V.P.-Tax of SBLD is responsible, either directly or indirectly, for the supervision or performance of SBLD's state and federal taxation functions.

- f. Attorney - The Attorney performs such legal duties and responsibilities as usually pertain to the office and as may be assigned by the President and Board of Directors of SBLD.
- g. Secretary - The Secretary issues all authorized notices for, and keeps minutes of, all meetings of the stockholders and the Board. The Secretary has general charge over the corporate books.
- h. Treasurer - The Treasurer, an office to be held by the V.P.-Business Planning and CFO, has custody of all monies and securities of the SBLD and keeps regular books of account. The Treasurer makes such disbursements of the funds of SBLD as are proper and renders, from time to time, an account of all such transactions and of the financial condition of SBLD.

No officer of SBLD is also an officer of the SBC BOCs , and as long as the applicable requirements of Section 272 remain, no officer of SBLD will simultaneously serve as an officer of the SBC BOCs. To the extent any of the foregoing list of officer positions is vacant as of the date of this Affidavit, it is anticipated that the positions will be filled at or near the time that SBLD commences operations with a person who is not simultaneously serving as an officer of the SBC BOCs.

2. SBLD Will Have A Separate Board Of Directors:

SBLD has a board of directors consisting of not more than ten (10) persons, including its Chairman. No director of SBLD will also act as a director of the SBC BOCs , and as long as the

applicable requirements of Section 272 remain, no director of SBLD will also simultaneously act as a director of the SBC BOCs.

3. SBLD Will Have Separate Employees:

SBLD currently employs a separate staff of employees. No SBLD employee is an employee of the SBC BOCs , and as long as the applicable requirements of Section 272 remain, no employee of SBLD will be simultaneously employed by the SBC BOCs .

4. SBLD Has The Following Reporting Structure:

- a. The SBLD President-CEO reports to the Chairman of the Board of SBLD.
- b. All other officers of SBLD report to the SBLD President-CEO.
- c. All employees of SBLD report, directly or through SBLD lines of organization, to the SBLD President-CEO.

G. SBLD HAS NOT OBTAINED CREDIT WITH RECOURSE TO THE SBC BOCS' ASSETS IN THE EVENT OF DEFAULT

Neither SBLD nor any of its affiliates has co-signed any contract or made any other arrangement with, or on behalf of, SBLD that would allow a creditor to obtain recourse to the SBC BOCs' assets in the event of a default. As long as Section 272 or applicable state or federal regulations prohibit such arrangements, neither SBLD, nor any of its Section 272 affiliates, will do so in the future.

H. SBLD WILL CONDUCT ALL TRANSACTIONS ON AN ARM'S-LENGTH BASIS, IN WRITING, AND AVAILABLE FOR PUBLIC INSPECTION

- 1. SBLD and the SBC BOCs conduct their transactions on an arm's-length basis. SBLD and the SBC BOCs have conducted their transactions to date under existing FCC affiliate

transaction rules. In particular, the services SWBT has provided to SBLD have been accounted for in accordance with Parts 32 and 64 of the FCC's rules.

2. In addition, in accordance with the Accounting Safeguards Report and Order, upon commencement of the requested authorization, services or goods that the SBC BOCs provides to SBLD will be provided and accounted for in conformity with the FCC's then-effective rules. Transactions between SBLD and the SBC BOCs will be conducted on an arms-length basis, reduced to writing, and made available for public inspection. SBLD or the SBC BOCs will provide a detailed written description of the asset or service transferred, and the terms and conditions of each transaction, on the SBC home page on the Internet within ten (10) days of the transaction. The transactional information will also be available for public inspection during normal business hours at the principal place of business of the SBC BOCs. As with all other transactions, transactions involving joint marketing services SBLD provides to the SBC BOCs or vice versa will be provided pursuant to arm's-length agreements, reduced to writing, available for public inspection, and accounted for in accordance with the FCC's requirements.

I. SBLD COMPLIES WITH THE REQUIREMENTS OF SECTION 272(g)

1. SBLD has not marketed or sold and will not market or sell telephone exchange services provided by the SBC BOCs unless the SBC BOCs permit other entities offering the same or similar service as SBLD to market and sell the SBC BOCs's telephone exchange services.
2. In addition, SBLD will not permit the SBC BOCs to market or sell its in region interLATA services to customers within the state of Oklahoma until SBLD has received



authority to offer interLATA services in that state pursuant to an application under Section 271 or other lawful authorization, and as required by Oklahoma authorities.

3. When SBLD obtains authority to provide interLATA services in the state of Oklahoma, the SBC BOCs may market or sell the interLATA services of SBLD within the meaning of Section 272(g)(2). To the extent that the SBC BOCs market or sell SBLD's interLATA services, SWBT will inform each new customer who orders local exchange service on an inbound call that he or she has choices in the selection of a long-distance carrier, and at the customer's request, will provide the names, and if requested, the telephone numbers of the carriers offering interexchange services in its service area, for as long as such disclosures are required pursuant to FCC rules. To the extent such a carrier list is to be provided, carriers will be arranged in random order.

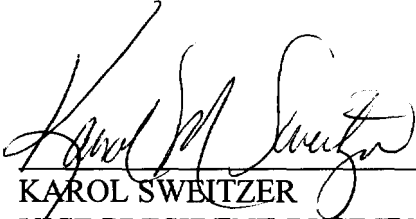
J. **SBLD WILL CONDUCT A BIENNIAL AUDIT IN CONFORMITY WITH  
SECTION 272(d)**

Section 272(d) requires that a company required to operate a separate subsidiary under Section 272, "shall obtain and pay for a joint federal/State Audit every two (2) years conducted by an independent auditor to determine whether such company has complied with this section of the regulations promulgated under this section, and particularly whether such company has complied with a separate accounting requirements under [Section 272(b)]." SBLD, together with the SBC BOCs, will conduct the required audits in accordance with the requirements of Section 272 and the FCC's rule.

K. CONCLUSION OF TESTIMONY

The foregoing Affidavit is true and correct to the best of my knowledge, information, and belief.

This concludes my Affidavit.

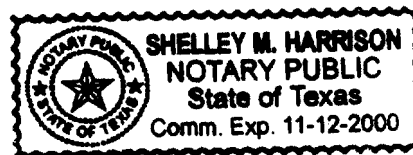


KAROL SWEITZER

VICE PRESIDENT-BUSINESS PLANNING AND CHIEF FINANCIAL OFFICER  
SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF DALLAS            )

Subscribed and sworn before me, the undersigned authority, on this 9th day of April 1997.

  
NOTARY PUBLIC

OFFICE PRODUCTS

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

<b>In the Matter of</b> Application of SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services Inc., d/b/a Southwestern Bell Long Distance, for the Provision of In-Region, InterLATA Services in Oklahoma	CC Docket No. _____
--	---------------------

**AFFIDAVIT OF GREGORY J. WHEELER  
ON BEHALF OF SOUTHWESTERN BELL TELEPHONE CO.**

**STATE OF OKLAHOMA            )**  
  **) ss.**  
**COUNTY OF OKLAHOMA        )**

I, GREGORY J. WHEELER, being of lawful age and duly sworn upon my oath, depose and state as follows:

1. My name is Gregory J. Wheeler and my business address is 800 North Harvey, Room 155, Oklahoma City, OK 73102. I am Director Competitive Analysis/Marketing Support for Southwestern Bell Communications Inc.

2. I was employed by Southwestern Bell Telephone Company (SWBT) in 1976 in Oklahoma City, and from 1976 and 1987 held a number of assignments in Network Operations;

most of them as Manager - Technical/Network Operations. In those positions, I supervised Customer Service Technicians responsible for installation, exchange repair and cable repair for the Oklahoma City North District; I supervised Maintenance Administrators; and analyzed customer trouble reports. From 1987 to 1992, I held the position of Manager Marketing/Business Sales where I supervised Communications Consultants and Service Representatives for the Major Business Accounts District and Federal Marketing District in Oklahoma City. I accepted my current assignment in 1992. My responsibilities in this assignment include compiling, analyzing, and disseminating information concerning the extent of competition facing SWBT in Oklahoma. This includes acquiring information from public sources, internal sources, and developing such information on my own (e.g., driving and mapping alternative fiber and other network facilities). I have a Bachelor of Science degree from Southern Nazarene University in Bethany, Oklahoma.

3. My affidavit presents information on competition in the provision of telecommunications services in Oklahoma, and the presence of competitive and potentially competitive alternative distribution networks in Oklahoma as well as plans by other companies to construct those networks.

4. Wheeler Schedule 1 contains maps of the fiber network of Brooks Fiber Communications (BFC) in Oklahoma City and Tulsa, the map of the Cox Communications (Cox) fiber optic network in Oklahoma City, the map of the Multimedia Cablevision fiber network in and around Oklahoma City, and the map of the American Communications Services Inc. (ACSI) fiber optic network in Tulsa. I personally prepared and verified the information contained on the maps through access to public information sources and/or through visual

inspection of the networks. The networks there shown understate the full extent of these alternative facilities since I did not have access to non-SWBT conduit and therefore could not view all such facilities that may be in use.

5. Wheeler Schedule 2 contains copies of the news articles and other information used in developing my affidavit. This information principally concerns the scope or planned scope of alternative facilities-based networks in Oklahoma that could be, are being, or will be used to provide competing local exchange service to end user (retail service) customers or, for that matter, as alternative sources to SWBT's wholesale service offerings.

6. Oklahoma City and Tulsa account for approximately 55% of SWBT's local exchange service (business and residence) revenues in the State of Oklahoma. They are also the areas our competitors have targeted to date, and are the areas where our competitors have deployed or have "planned" deployment of facilities.

7. BFC's Oklahoma City network consists of approximately 50 fiber optic route miles, and BFC has reported plans to invest an additional \$20 million to expand the network over the next ten years to cover an area of more than 88 fiber optic route miles. The Sunday Oklahoman, 3/20/95. BFC has installed a Lucent 5E central office switch to provide telecommunications service in Oklahoma City.

8. BFC has advertised the availability of its service in Oklahoma City saying: "Yes! It's here. Brooks can deliver service like you've never had before." Wheeler Schedule 2, at 8. BFC has a Home Page on the Internet which provides the Oklahoma City location, and phone/fax numbers where it can be reached in Oklahoma City, along with the name of its General Manager. (*Id.* at 9). BFC has tariffs which offer both business and residence local exchange services to

Oklahoma City customers. (*Id.* at 31). And BFC has publicly stated *that it is providing* local phone service in parts of Oklahoma City as well as in Tulsa. The Daily Oklahoman, 2/6/97, p. 15; Wheeler Schedule 2, at 8a. In fact, in March, 1997, two Oklahoma City SWBT customers notified SWBT of their intent to disconnect a 60 station Plexar® and a 119 station Plexar, and advised the SWBT representative that they intend to obtain their local business service from BFC.

9. Cox Communications has a \$26 million network deployed throughout the Oklahoma City metropolitan area and has completed a 450 mile fiber network upgrade making the network capable of providing two-way transmissions. Cox has a digital switch in Oklahoma City and is reportedly planning on using its facilities to provide telecommunications and other services, along with its affiliate Cox Fibernet whose facilities already cover the Oklahoma City business community. Cox has 2,000 miles of existing coaxial cable that links most homes in Oklahoma City and serves approximately 116,081 cable television subscribers. Television & Cable Factbook; The Sunday Oklahoman, 4/28/96.

10. Cox Communications has indicated it plans to provide telephone service to 50 of its employees in Oklahoma City in March 1997 and, if the employee trial is successful, to begin providing commercial service in Oklahoma City in the third quarter of 1997. Interactive Week, 4/22/96; Cable World, 12/23/96. The scope and extent of the Cox Communications Oklahoma City network is described by their General Manager as “the most extensive fiber optic network in the capital” and “[t]here’s not a business or residence in Oklahoma City that’s more than half a mile away from our fiber.” The Journal Record, 11/26/96. Wheeler Schedule 2, at 3, 10, 6.

11. Multimedia Cablevision is reportedly in the process of deploying a \$50 million fiber optic network in towns surrounding Oklahoma City. The Daily Oklahoman, 7/8/94, pp. 13-14. The current network is shown in Wheeler Schedule 1. The project is part of a \$150 million expansion of Multimedia's cable base in Kansas, Oklahoma, Indiana, Illinois, and North Carolina with an eye on including telecom as well as traditional entertainment services in Multimedia's future business operations. At the time of the article, Hyperion Telecommunications, a unit of Multimedia Cablevision, was already providing telecommunications services to customers in the Wichita, Kansas area. Wheeler Schedule 2, at 17-18.

12. Indian Nations Fiberoptic, a subsidiary of Chickasaw Telephone Company which is an incumbent local exchange carrier, has a 291 mile fiber optic network originating in Oklahoma City extending to Norman and on south to Ardmore and Duncan. The Sunday Constitution (Lawton, OK), 9/11/94, p. E1. The network was designed to provide access to Cameron University and city hospitals and to offer features such as telemedicine and distance learning from the University of Oklahoma Health Sciences Center and the Oklahoma State Regents for Higher Education. Wheeler Schedule 2, at 19.

13. There are also two Personal Communications Services (PCS) networks under construction in Oklahoma City by companies that were granted PCS licenses by the FCC. Those licenses were awarded to Western PCS Corporation (d/b/a VoiceStream Wireless) and WirelessCo, LP (now Sprint Spectrum). PCS has been described as offering the capability to "have a phone number basically for wherever you go," and as being expected to drive prices down "because you will be able to use it as a regular phone." Wheeler Schedule 2, at 16 & 12.



14. Public Service Company of Oklahoma (PSO) began providing telecommunications services over a \$6 million, 100 mile fiber optic network in Tulsa in 1987. Communications Week, Monday 6/22/87, p. 44. In 1995, BFC acquired PSO's (then 105 mile) fiber optic network in Tulsa, and the acquisition expanded BFC's fiber optic network in Tulsa to a total area of approximately 200 fiber optic route miles. Tulsa World, 8/29/96. BFC has installed a Lucent 5E central office switch to provide telecommunications services in Tulsa. In a letter BFC sent to the business community in Tulsa it stated "IT'S HISTORY!! The days of Southwestern Bell's monopoly on local phone service is over. Brooks Fiber Communications has been approved by the Corporation Commission to offer local phone service to the businesses of the Tulsa area." Wheeler Schedule 2, at 25a.

15. BFC's Home Page advertises Tulsa as one of its serving areas, and BFC also has local exchange tariffs which offer both business and residential service in the area. Wheeler Schedule 2, at 25 & 32. BFC has also stated publicly *that it is providing* local phone service in parts of Tulsa. The Daily Oklahoman, 2/6/97, p. 15; Wheeler Schedule 2, at 8a.

16. Tele-Communications Inc. (TCI), the nation's largest cable television company, reportedly has been deploying a fiber optic network in Tulsa at a cost of approximately \$50 million. The upgrade is designed to allow TCI to offer high-speed computer-modem service, telephone service and home security, along with traditional cable television. TCI has 40 cable television franchise locations in Oklahoma, and serves approximately 158,500 cable television subscribers in the Tulsa metropolitan area. Tulsa World, 8/29/96, p. E1; Television & Cable Factbook. Wheeler Schedule 2, at 26 & 27.